GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:591
ANSWERED ON:27.04.2001
BANK LOAN DEFAULTERS
SHEELA GAUTAM;SHIVRAJ SINGH CHOUHAN

Will the Minister of FINANCE be pleased to state:

(a) the total amount of N on-Perform ing Assets of each public sector bank as on 31 March, 2001;

(b) the amount of NPA recovered and written-off separately by these banks during the last three yeas, bank-wise;

(c) whether some bank loan defaulting companies/individuals are still getting loans from other banks/FIs despite having an adverse record in the matter of repayment of loans; and

(d) if so, the details in this regard and the steps taken by the Government to check this practice?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) As per the available information, the estimated amount of total gross non-performing assets (NPAs) of public sector banks, as on 28th February 2001 was Rs. 52806 crores. The bank-wise break up in this regard is given in the attached statement.

(b) The amount of recovery and compromise/write-off of NPAs by public sector banks, bank-wise, for the last three years, furnished by Reserve Bank of India (RBI), is also given in the statement attached.

(c) and (d) The banks generally make market enquiries, scrutinize the audited balance sheets/financial of the borrowers, obtain reports from other bankers about the borrowers`s existing borrowing arrangements while taking commercial decisions relating to grant of credit. The dissemination of data on suit filed accounts defaulters of Rs. One crore andabove and willful defaulters by RBI also forms an important input for credit decisions. Banks are expected to exercise due caution while considering grant of credit facility to a company in a Group, when there are defaults of any other bank in the same Group. The Credit InformationBureau is also being set up, which will collect, process and disseminate credit information on the borrowers of credit institutions.